THE-MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. K. THUNGON): (a) 181 Central Public Sector Undertakings earned a net profit of Rs. 481.28 crores during the first half year of 1990-91 against a net profit of Rs. 1103.25 crores earned by 176 enterprises during the corresponding period of 1989-90.

(b) Some of the main reasons for decline in profitability are: Increase in Iron & Steel Prices not commensurate with increase in costs for inputs, heavy drop in production due to power failure, strike at Bombay Refinery (Hindustan Petroleum Corpn. Ltd.) and flooding of sub-station 132 KVA Vizag Refinary due to cyclonic storm in May, 1990, drop in sales and also charging of operating expenses of Rs. S5 crores from Maharashtra Gas Craker Complex (Indian Petro-Chemicals Corporation) which is yet to start commercial production, grounding of A-320 aircraft, adverse change in exchange rate of US and the increase in landing and navigational charges by Airport Authority (Indian Airlines) uncovered gap between price and costs of ships and high interest liability (Cochin Shipyard), etc.

(c) and (d) Improving working of the Central Public Sector Undertak ings is a continuous process. Enter prise specific steps are taken by the concerned adiminstrative Ministry/ Department. Some of the measures taken are product-mix, technological upgradation,, improved maintenance management practices, energy conser vation, modernisation and rehabilita tion, organisational restructuring, introduction of MOU, etc.

Production of kerosene and diesel from natural gas

127. SHRI KRISHNA KUMAR BIRLA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that according to a study conducted by scientists at the National Chemical Laboratory, Pune, production of kerosene and diesel ig feasible from the natural gas;

(b) if so, what are the details thereof;

(c) what is the estimated cost required for the technology to convert natural gas into kerosene and diesel; and

(d) whether in view of the current oil prices in the world market, the technology is considered to be viable?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SMT. MARGARET ALVA):

(a) Yes, Sir. National Chemical Laboratory (NCL) Scientists have developed a catalyst to convert natural gas to kerosene and diesel and demonstrated its feasibility on a laboratory scale.

(b) The project of putting up a one tonne per day pilot plant for the process has been funded by the Centre for High Technology, Government of India. The pilot plant is being set up by Bharat Petroleum Corporation Limited (BPCL), Bombay, based on the design of NCL and Davy Power Gas India. The pilot plant will enable studying the technical feasibility of the catalyst and the process for conversion of natural gas to kerosene and diesel on commercial scale.

(c) and (d) Determination of the commercial viability of the technology and the cost of the plant will depend upon the outcome of technical feasibility of the process.

128. *[Transferred to the* 6th Sep tember, 1991]

Allocation of Funds to States

129. SHRI RAMDAS AGARWAL: Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) what are the broad planning norms kept in view by the Planning Commission while allocating funds to various States with regard to Power, Education and Drinking water supply;"

(b) whether these norms are being applied and followed in the planning and allocation of funds for (i) Thermal Power Projects namely Dholpur Thermal Power Project and Suratgarh Thermal Power Projects in Rajasthan; (ii) extension of drinking water facilities in DHANIS and MAJARAS in Rajasthan on primary basis and (iii) universalisation of elementary education amongst desert and tribal districts etc. in Rajasthan; if so, the details thereof; and

(c) if not, the corrective measures being taken or proposed to be taken by Government in this regard?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI H. R. BHARDWAJ): (a) to (c) The broad principles for allocation of Central Assistance to the States including Rajasthan are (i) population size (ii) Per Capita Income (iii) Special development problems etc. The allocation for heads/sub-heads of development including power, education and water supply are made in consultation with the State Governments including Rajasthan keeping in view factors such as plan priorities, availability of resources, need for early completion of on-going projects, maximisation of benefits, environmental considerations, removal of regional imbalances etc. While funds are specially earmarked for some specific power and irrigation projects, Minimum Needs Programme and also for some other important sectors of development like Agriculture, RD etc., provision for individual schemes is made by the concerned State Governments within the overall approved outlay.

Supply of essential commodities through Fair Price Shops

130. SHRI RAMDAS AGARWAL: Will the PRIME MINISTER be pleased to state:

(a) whether Government propose to supply all essential commodities through Fair Price Shops particularly refined oil, washing soap, good quality rice etc.

(b) if so, the details thereof;

(c) whether fair price shops are proposed to be opened in the rural areas like urban areas;

(d) if so, by when and if not, the reasons therefor; and

(e) whether Government contemplate to exercise any checks on the quality of commodities being distributed through Public Distribution System; if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES AND PUBLIC DISTRIBUTION (SHRI KAMALUDDIN AHMMED): (a) and (b) Key essential commodities, *viz.* wheat, rice, kerosene, levy sugar, imported edible oils and soft coke are supplied" by the Central Government to State Governments/ Union Territory Administrations, who in turn arrange for their distribution to consumers. The State Governments/Union Territory Administrations are free to distribute additional items of mass consumption, taking into account local preferences etc.

(c) and (d) The ratio of Fair Price Shops in rural and urban areas in the country is about 3:1. The strengthening and streamlining of the Public Distribution System (PDS) is a continual process. The Central Government has been advising • State Governments/UT Administrations, among other things, to expand PDS outlets in uncovered/ undercovered areas.

(e) Central Government makes available foodgrains of Fair Average Quality (FAQ) within Prevention of Food Adulteration Act (PFA) Standards to States/Uts. Similarly, the other PDS items conforming to suitable standards of quality are allotted to them. The State Governments/ UT Administrations, who primarily